

Message Text

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53

ACTION TRSE-00

INFO OCT-01 EA-07 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 USIA-06 XMB-02 OPIC-03 SP-02

CIEP-01 OMB-01 /045 W

----- 036302

R 170324Z SEP 76

FM AMEMBASSY TAIPEI

TO SECSTATE WASHDC 1058

LIMITED OFFICIAL USE TAIPEI 6304

E.O. 11652: N/A

TAGS: EFIN, TW

SUBJECT: BALANCE OF PAYMENTS AND DEBT PROSPECTS

REF: STATE 223505

1. FOLLOWING ARE BALANCE OF PAYMENTS DATA FOR REPUBLIC OF CHINA. ECONOMIC RESEARCH DEPT. OF CENTRAL BANK SUPPLIED 1974 AND 1975 FIGURES AND PROVIDED ASSISTANCE TO EMBASSY IN PREPARATION OF 1976 AND 1977 PROJECTIONS. LETTERS IN FIRST COLUMN ARE KEYED TO ITEMS IN PARA 2 REFTEL; ALL VALUES EXPRESSED IN MILLION U.S. DOLLARS.

	1974	1975	1976	1977
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CURRENT ACCT BAL	CR. 1113	CR. 537	110	140
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A.	5592	5304	7600	8820
B.	CR. 6404	CR. 5559	CR. 7200	CR. 8350
C.	907	973	1100	1280
D.	CR. 1222	CR. 1269	CR. 1400	CR. 1620
E.	14	14	10	10

CAPITAL ACCT BAL	1164	551	CR. 110	CR. 140
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F.	14	37	40	25
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G.	4	5	--	--
H.	1091	518	400	350
I.	55	CR. 9	CR. 550	CR. 515
ERRORS AND				
OMISSIONS	CR. 51	CR. 13	--	--

2. EXTERNAL SECTOR OF ROC ECONOMY IS VERY SENSITIVE TO ECONOMIC CONDITIONS IN OECD COUNTRIES SINCE THEY ACCOUNT FOR HIGH PERCENTAGE OF BOTH ROC EXPORTS AND IMPORTS. EXPORT SIDE IS ESPECIALLY AFFECTED SINCE ROC SALES ARE MADE UP MAINLY OF CONSUMER GOODS WHICH ARE HIGHLY INCOME ELASTIC IN RECEIVING MARKETS. SHARP INCREASE IN EXPORT GROWTH PROJECTED FOR 1976 IS BASED ON STRONG FIRST HALF ACTUAL RESULTS AND ASSUMPTION THAT DEMAND WILL REMAIN BUOYANT IN SECOND HALF IN LINE WITH CONTINUED ECONOMIC IMPROVEMENT IN OECD COUNTRIES.

3. PROVISION FOR CRUDE OIL PRICE INCREASE HAS BEEN WORKED INTO 1977 PROJECTION. IF PRICE SHOULD REMAIN STABLE, CURRENT ACCOUNT BALANCE WOULD BE IMPROVED BY ROUGHLY \$50-60 MILLION.

4. ONLY DATA READILY AVAILABLE ON ROC EXTERNAL DEBT ARE FOLLOWING FIGURES PROVIDED BY MINISTRY OF FINANCE, WHICH WE CONSIDER GENERALLY RELIABLE. WE NOTE, HOWEVER, THAT EXPORT VALUES FOR 1976-1980 ARE BASED ON CONSERVATIVE ASSUMPTIONS AS TO ANNUAL GROWTH RATES AND PROBABLY ARE UNDERSTATED. DEBT SERVICE RATIOS FOR THESE YEARS THEREFORE LIKELY TO BE SOMEWHAT LOWER THAN SHOWN IN TABLE. VALUES ARE IN MILLION U.S. DOLLARS

EXTERNAL PUBLIC AND PRIVATE DEBT OF R.O.C., 1974-77

YEAR	DEBT OUTSTANDING	SERVICE PAYMENTS	DEBT EXPORTS	SERVICE RATIO
1974	1,525.8	276.5	6,266.0	4.41
1975	2,079.1	397.4	5,990.0	6.63
1976	2,471.5	409.9	6,589.0	6.22
1977	2,752.6	488.0	7,247.9	6.73
1978	2,926.5	613.1	7,972.7	7.69
1979	2,781.5	663.6	8,770.0	7.57

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1980	2,314.4	675.0	9,647.0	7.00
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DATA, BALANCE OF PAYMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 17 SEP 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: greeneet
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: N/A
Errors: N/A
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Handling Restrictions: n/a
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Margaret P. Grafeld
Declassified/Released
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EO Systematic Review
04 MAY 2006

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Review Withdrawn Fields: n/a
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To: STATE
Type: TE
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